GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3214
ANSWERED ON:12.05.2006
CREDIT CARD FRAUD
Chowdhury Shri Adhir Ranjan;Singh Shri Uday

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware of credit card frauds in the country;

(b) if so, the details of the losses suffered by banks on credit card frauds;

(c) whether consumers are being cheated by banks as well as by criminals;

(d) if so, the details thereof; and

(e) the step taken by the Government to check such frauds?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) Yes, Sir. The details of frauds perpetrated using fake credit cards, as reported by the banks to Reserve Bank of India (RBI) during the last three years are as under:-

Name of the Bank	No. of instances	Amount involved (Rs.in lakh)
HSBC Ltd.	27	41.04
Standard Chartered Bank	7	11.31
SBI Cards & Payment Services Pvt. Ltd.	5	9.36
HDFC Bank	8	14.07
ICICI Bank	7	11.26
Andhra Bank	1	19.50

(c) & (d) As and when any such matter is brought to the notice of Govt. / RBI, appropriate corrective action is taken in accordance with the laid down procedure / law.

(e) Reserve Bank of India has advised banks to set up internal control systems to combat frauds committed at application stage and through misuse of lost / stolen, counterfeit / altered credit cards. RBI has issued guidelines on credit card operations on 21.11.2005 advising the banks 10 fulfill `Know Your Customer (KYC)` requirements, assessing credit risk of customers, specifying terms and conditions in a transparent manner, etc.